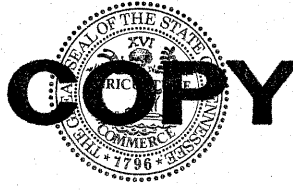


TENNESSEE REGULATORY AUTHORITY

05/03/02
9:15 AM

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

May 3, 2002

Mr. Don Baltimore
Farrar & Bates, LLP
211 7th Avenue North, Suite 420
Nashville, TN 37219

RE: Excel Telecommunications, Inc. (Docket No. 02-00382)

Dear Mr. Baltimore:

The Tennessee Regulatory Authority is in receipt of your April 29, 2002 Data Response for Excel Telecommunications, Inc. for the request for local facilities-based telecommunications services CCN throughout the State of Tennessee as pursuant to TCA §65-4-201. Please provide the following information or clarification as requested:

Financial Requirements:

1. Applicant's three year projected Balance Sheet and Statement of Cash Flows;
2. Please provide the reason for the 12/31/01 Balance Sheet's negative account balances for Cash and Cash Equivalents, which reflects (\$1,960); and Deferred Income Taxes Payable of (\$80,746). Note: The current asset section already has an asset account called Deferred Income Tax Asset. If the Cash and Cash Equivalents and the Deferred Income Taxes Payable accounts have incorrect balances, then the corrected amounts could affect the Statement of Cash Flows when they are corrected, too.
3. TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the Authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to TCA §65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than \$5 million, shall file with the Authority a corporate surety bond or irrevocable letter of credit in the amount of \$20,000 to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consume Telemarketing Protection Act of 1990, by or on behalf of the Authority. The Authority was provided with information that Excel's corporate surety bond from Safeco Insurance Company had been cancelled. Please provide the Authority an original corporate surety bond or irrevocable letter of credit.

If you have any questions or comments regarding this data request, please contact Darrell Whitis at (615) 741-2904 (ext. 132). Please submit the requested information by May 17, 2002.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Waddell". The signature is stylized with a large, looped initial "D" and a cursive "Waddell".

David Waddell
Executive Secretary

C: Docket File